

**COMMONWEALTH OF PUERTO RICO
DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS
PUERTO RICO HIGHWAY AND TRANSPORTATION AUTHORITY**

RESOLUTION NO. 2009- 01

**TO AUTHORIZE A LINE OF CREDIT OF \$15,000,000 FROM THE
GOVERNMENT DEVELOPMENT BANK TO FINANCE PAYROLL EXPENSES**

WHEREAS, the Puerto Rico Highway and Transportation Authority (the Authority) has requested to the Government Development Bank for Puerto Rico (the Bank) financing in an aggregate amount of \$140,000,000 of which \$100,000,000 are to be used to pay costs incurred or to be incurred in the acquisition, construction, equipping, installation and development of certain additional improvements to the Authority's facilities included in its Construction Improvement Program for fiscal year 2009 and \$40,000,000 are to be used to pay operational expenses;

WHEREAS, the Authority is in need of interim financing for the payment of payroll expenses and proposed to repay with the proceeds of the next bond issue to be made by the Authority;

WHEREAS, the Board of Directors of the Bank, by means of Resolution 9024 approved to the Authority such financing, but in an amount not to exceed \$15,000,000 for the exclusive purpose of financing payroll expenses, all in accordance with the terms and conditions herein below set forth.

NOW, THEREFORE, BE IT RESOLVED by the Secretary of Transportation and Public Works:

1. The Authority is authorized to accept the terms and conditions of the Loan in an amount not to exceed \$15,000,000 for the purpose of financing payroll expenses.

2. The principal amount of the loan shall mature and be due and payable on June 30, 2009. Said principal amount shall be payable solely from proceeds of bonds to be issued by the Authority pursuant to the provisions of the respective sections of the Resolutions or from any moneys of the Authority. The maturity date of the Loan can be extended from time to time by the President of the Bank, if necessary, but in no event beyond, June 30, 2011.

3. The Loan shall bear interest until paid in full at a rate or rates per annum determined in accordance with an amendment with the Loan Agreement, to be entered by and between the Bank and the Authority. Interest shall be payable monthly in arrears not later than the tenth Banking Day (as defined in the Loan Agreement) following receipt from the Bank of the statement referred to in the next sentence of this paragraph, from any available moneys of the Authority. Each month the Bank shall furnish to the Authority a written statement showing the amount of interest due and payable by the Authority on the Loan for the preceding month. The Authority may repay the Loan at any time without penalty or premium. The Loan shall be junior and subordinate to outstanding bonds of the Authority and shall be subject to certain other terms and conditions, to be included in the Loan Agreement.

4. If there is no disbursement activity on this additional loan for a period of six months after it's approval by the Board of Directors of the Bank, the loan will be cancelled automatically.

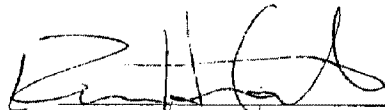
5. This Resolution is intended to be a declaration of official intent under US Treasury Department Regulation Section 1.150-2.

6. The Authority agrees to comply, to the extent permitted by the Constitution and laws of the Commonwealth, with the requirements of the Internal Revenue Code of 1986, as amended, so that interest on the Loan shall remain excludable from gross income for federal income tax purposes of the recipients thereof to the same extent that such interest was excludable on the date of execution and delivery of the Loan Agreement.

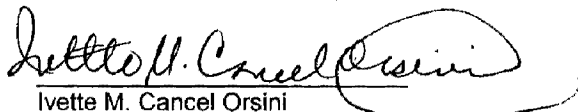
7. The Executive Director and the Officers, employees and agents of the Authority are hereby authorized and directed to take all actions necessary of them to carry out the provisions of this Resolution, including execution of the Agreement and the corresponding, note or notes in the principal amount of the loan, the holding of any public hearings required by law and obtaining any all necessary consents and approvals which the Authority may be required to secure prior to entering into the Loan.

8. The provisions of this Resolution shall become effective immediately upon its adoption.

In San Juan, Puerto Rico, this 27 day of January, 2009.



Rubén A. Hernández Gregorat
Secretary
Department of Transportation
and Public Works



Ivette M. Cancel Orsini
Acting Secretary of the Authority